

## CHAPTER 555.

(House Bill 76)

AN ACT to add a new section to Article 48A of the Annotated Code of Maryland (1939 Edition), title "Insurance", sub-title "Mutual Insurance Companies", said new section to follow immediately after Section 152 and to be known as Section 152A, requiring deposits of approved securities by all domestic, foreign and alien mutual companies hereafter licensed to write motor vehicle liability, general public liability, or compensation insurance, or fidelity or surety bonds.

SECTION 1. *Be it enacted by the General Assembly of Maryland*, That a new section be and the same is hereby added to Article 48A of the Annotated Code of Maryland (1939 Edition), title "Insurance", sub-title "Mutual Insurance Companies", said new section to follow immediately after Section 152 and to be known as Section 152A.

152A. (Deposit of Securities by Certain Domestic, Foreign and Alien Mutual Companies.) Every domestic company hereafter organized and having charter power to write motor vehicle liability, general public liability, or compensation insurance, or fidelity or surety bonds, shall, before being entitled to transact any business of insurance, assign to and deposit with the Treasurer of the State of Maryland, in trust, as security for all the holders of policies of said company, bonds, coin or treasury notes of the United States of America, bonds of the State of Maryland or of any county or municipal corporation of this State, or of the Home Owners Loan Corporation, a corporation created under an Act of Congress of the United States, approved June 13, 1933, ground rents, first mortgages and/or interest-paying bonds secured by first mortgage on unencumbered real estate situated in this State, such mortgages not to exceed sixty-six and two-thirds ( $66 \frac{2}{3}\%$ ) per cent. of the fair market value of such real estate, and not in default, having a market value of not less than one hundred thousand dollars (\$100,000). Every foreign and alien company hereafter applying for admission in this State and having charter power to write motor vehicle liability, general public liability, or compensation insurance, or fidelity or surety bonds, shall, before being entitled to receive a license to do any business of insurance in this State, have on deposit with some proper official of the State where incorporated or organized, or in some other State of the United States, in trust as security for all the holders of policies of said company, coin, notes or securities authorized by the insurance laws of the State where